

Message Text

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ACTION ARA-14

INFO OCT-01 IO-13 ISO-00 SSO-00 AID-05 SS-15 NSC-05

NSCE-00 CIAE-00 INR-07 NSAE-00 INRE-00 SP-02 EB-08

OPIC-03 PRS-01 PA-01 TRSE-00 XMB-02 USIE-00 DHA-02

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-----071030 172009Z /66

O R 171900Z AUG 77

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC IMMEDIATE 5130

INFO AMEMBASSY BRIDGETOWN

AOEMBASSY CARACAS 1786

AMEMBASSY KINGSTON

AMEMBASSY PARAMARIBO

AMEMBASSY PORT OF SPAIN

USMISSION USUN NEW YORK

C O N F I D E N T I A L SECTION 1 OF 2 GEORGETOWN 1929

E.O. 11652: GDS

TAGS: GY, US

SUBJECT: GUYANA REVIEW

REF: A. GEORGETOWN 681; B. GEORGETOWN 722; C. GEORGETOWN 829;
D. GEORGETOWN 857; E. GEORGETOWN 1017; F. CARACAS 8037

1. THE ANALYSIS AND RECOMMENDATIONS MADE IN THE GUYANA
PARM FIVE MONTHS AGO CONTINUE TO BE VALID ALTHOUGH NOW
A MUCH STRONGER CASE CAN BE MADE FOR THEM. MUCH OF THE
CHANGE IN GUYANESE ATTITUDES WHICH WE THOUGHT MIGHT BE
POSSIBLE HAS ALREADY OCCURRED. THE CHANGE HAS BEEN MORE
RAPID THAN WE EXPECTED AND THE DEGREE OF GOG RESPONSIVENESS
HAS BEEN GREATER THAN PREDICTED IN THE PARM. SOME OF THIS
IS DUE TO THE OVERALL IMAGE THAT THE OFFICIALS OF THE CARTER
ADMINISTRATION HAVE PROJECTED OF US POLICIES AND TO THE
ATTENTION GUYANA HAS RECEIVED IN THE VISITS OF HIGH
OFFICIALS AND THE RESUMPTION OF USAID PROGRAM.

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RUNNING THROUGHOUT THE WORDS AND ACTIONS OF US OFFICIALS
ARE STRONG INDICATIONS THAT THE USG IS WILLING TO RESPECT,
LISTEN TO, AND UNDERSTAND GUYANA'S CONCERNS AND NEEDS.
JUST AS THE GUYANESE RESPOND NEGATIVELY IN EXAGGERATED
FASHION TO SUSPECTED HOSTILITY OR DISRESPECT--REAL OR
IMAGINED--SO THEY RESPOND POSITIVELY AND STRONGLY TO
GESTURES INDICATING USG ACCEPTANCE AND WILLINGNESS TO

COOPERATE. THEY WANT ATTENTION.

2. ALTHOUGH WE REJECTED PRIME MINISTER BURNHAM'S REQUEST FOR LARGE SCALE BUDGET SUPPORT, THE FACT THAT WE HAVE EXPRESSED SYMPATHETIC UNDERSTANDING AND SOME WILLINGNESS TO HELP VIS-A-VIS INTERNATIONAL FINANCIAL INSTITUTIONS HAS BEEN WELL-RECEIVED. THE RESUMPTION OF THE USAID PROGRAM HAS BEEN ENTHUSIASTICALLY WELCOMED PUBLICLY AS WELL AS PRIVATELY.

3. ANDREW YOUNG'S COMMENT DURING HIS PRESS CONFERENCE AUGUST 10 THAT GUYANA MIGHT TRY ATTRACTING PRIVATE CAPITAL HAS ALSO BEEN NOTED WITH APPROVAL BY MODERATES IN THE GOG AS WELL AS MUCH OF THE PUBLIC. THOSE WHO WOULD PUBLICIZE GUYANA'S DESIRE FOR AND WILLINGNESS TO ENTER INTO MUTUALLY BENEFICIAL AGREEMENTS WITH FOREIGN PRIVATE FIRMS APPEAR TO BE GAINING GROUND IN THE GOG.

4. THE EMBASSY'S REPORTING HAS DESCRIBED THE CONTINUING ECONOMIC CRISIS AND INDICATED THAT WE ARE UNAWARE OF ANY IMMEDIATE PROSPECTS FOR RELIEF. IT IS NOW CLEAR THAT THE TALKS BETWEEN THE PNC AND THE OPPOSITION PEOPLES PROGRESSIVE PARTY (PPP) TO FORM A "NATIONAL UNITY" GOVERNMENT DIFINITIVELY FOUNDERED LAST SPRING, AND LITTLE PROSPECT EXISTS FOR ANY SIGNIFICANT ASSISTANCE FROM THE SOVIET UNION.
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5. HAVING STRUCK OUT IN GETTING BUDGET SUPPORT FROM THE US, THE GOG HAS URGED THAT THE US HELP IN GETTING FINANCING FROM INTERNATIONAL INSTITUTIONS SUCH AS THE IBRD, THE IADB, AND THE IMF, AS WELL AS THE IMPORT-EXPORT BANK. GUYANESE LEADERS ARE PRONE TO BELIEVE THAT THE US ATTITUDE IN THESE ORGANIZATION IS DECISIVE.

6. ALTHOUGH FOR PUBLIC CONSUMPTION GUYANESE LEADERS TEND TO ATTRIBUTE THE IMPROVEMENTS IN RELATIONS TO NEW POLICIES OF THE CARTER ADMINISTRATION RATHER THAN TO CHANGES IN GOG ATTITUDES, THE FACT IS THAT GUYANESE ATTITUDES ON ISSUES ARE SOFTENING UNDER THE ATTENTION AND PERSUASION THAT US OFFICIALS HAVE BROUGHT TO BEAR. THEY ARE ENCOURAGED OVER THE WILLINGNESS OF THE US ADMINISTRATION TO MOVE TOWARD A NEW INTERNATIONAL ECONOMIC ORDER. MODERATES IN TGA PNC HAVE FOUND THEIR VOICES AGAIN AND ARE ARGUING FOR WHAT THEY BELIEVE. THE PUBLIC EXPRESSION OF EMOTION OVER AMBASSADOR YOUNG'S VISIT HELPED UNDERLINE FOR POLITICIANS THE DEPTH OF PRO-US FEELING IN THE GUYANESE PEOPLE. WE SHOULD SUBTLY EXPLOIT THIS FACTOR IN OUR DIPLOMACY.

7. THUS MUCH PROGRESS HAS BEEN MADE SINCE JANUARY. THE GUYANESE NOW HAVE A MEASURE OF CONFIDENCE IN US POLICIES AND IN US OFFICIALS. WE HAVE GOOD TWO-WAY COMMUNICATION. WE HAVE OPENED THE DOOR FOR MODEST US BILATERAL ASSISTANCE AND HAVE INDICATED THAT MORE MAY BE IN THE OFFING. WE CORRECTLY HAVE NOT CREATED LARGE SCALE EXPECTATIONS, ALTHOUGH THERE IS HOPE THAT USG ASSISTANCE WILL GROW AND SOME GOG OFFICIALS ARE SEEKING TO ATTRACT FOREIGN, PRIMARILY US, PRIVATE CAPITAL.

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C O N F I D E N T I A L SECTION 2 OF 2 GEORGETOWN 1929

8. BUT MUCH REMAINS TO BE DONE. BURNHAM IS A SOCIALIST, ALBIET A PRAGMATIC ONE. HE AND SOME OTHERS, PARTICULARLY MEMBERS OF THE PNC'S LEFT WING, TEND TO THINK THAT CAPITALISTS MUST OPPOSE SOCIALISTS. HIS SUSPICIONS OF THE US REMAIN CLOSE TO THE SURFACE. IF WE ARE CONSISTENT AND PERSISTENT HE MAY REALIZE THAT THE US IS INTERESTED PRIMARILY IN DEMOCRACY AND HUMAN RIGHTS, INCLUDING THE ELIMINATION OF POVERTY AND ECONOMIC DEVELOPMENT IN COUNTRIES SUCH AS GUYANA, RATHER THAN IN OPPOSING SOCIALISM AND IMPLANTING CAPITALISM. IN FACT, BY ELIMINATING FEARS THAT THEIR SYSTEM OF ECONOMY IS UNDER THREAT FROM OUTSIDE WE WILL CONTRIBUTE TO FLEXIBLE AND IMAGINATIVE THINKING CONCERNING NEW FORMULAE FOR MAKING

GUYANA'S ECONOMY WORK.

9. AS INDICATED REF. F, MUCH DISENCHANGEMENT WITH SOCIALISM EXISTS IN OFFICIAL CIRCLES BUT BURNHAM, FOR VARIOUS REASONS INCLUDING HIS SUPER-EGO, WILL NOT ADMIT
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PUBLICLY TO ERROR. HOWEVER, HE CAN BE HELPED TO DEVELOP THOSE ASPECTS OF PRAGMATIC SOCIALISM WHICH WORK AND BENEFIT PEOPLE, AND WE BELIEVE CAN BE COAXED AWAY FROM UNDEMOCRATIC AND RIGID IDEOLOGICAL STRUCTURES. THE CULTURAL AND POLITICAL INFLUENCES THE US CAN EXERT IN THIS SOCIETY ARE ALMOST IRRESISTIBLE, PROVIDED WE REMAIN IN CLOSE DIALOGUE AND INTERACTION.

10. OBSTACLES TO ACHIEVEMENT OF US OBJECTIVES INCLUDE THE ENTRENCHED ANTI-US ATTITUDES HELD BY SOME MILITANT PNC LEADERS. SHOULD WE REACH A DEAD END IN DISCUSSIONS CONCERNING A NEW INTERNATIONAL ECONOMIC ORDER, THE PRESENT FAVORABLE CLIMATE WOULD COOL. THE CUBANS AND THE SOVIETS CAN BE EXPECTED TO CONTINUE TO EXERT COUNTER-ACTING INFLUENCES ON THE GUYANESE. CHEDDI JAGAN IS THEIR WILLING ALLY WHOSE STRATEGY APPEARS TO BE DIRECTED PRIMARILY AT INFLUENCING THE DIRECTION THAT THE GOG TAKES RATHER THAN AT TAKING OVER POLITICAL POWER HIMSELF; HOWEVER, HE AND HIS FRIENDS STAND READY TO PICK UP THE PIECES SHOULD BURNHAM FALL.

11. WERE IT NOT FOR GUYANA'S DESPERATE ECONOMIC SITUATION ONE COULD PREDICT FAIRLY SAFELY THAT THE IMPROVEMENT IN US-GOG RELATIONS WOULD CONTINUE STEADILY THROUGHOUT THE COMING YEAR, PROVIDED THE US CONTINUES TO USE THE POLICIES AND ATTITUDES, INCLUDING MODEST EXPANSION OF THE AID PROGRAM ALREADY ADOPTED THIS YEAR. BUT ONE CANNOT WITH ANY CERTAINTY MAKE SUCH PREDICTION BECAUSE THE GOG IS EXTREMELY VULNERABLE ECONOMICALLY AND POLITICALLY. MORE UNEMPLOYMENT IS AHEAD. STOPPAGE OF WORK ON THE UPPER MAZARUNI PROJECT WILL MEAN THAT THE ROAD-BED WILL REVERT TO JUNGLE. THE POLITICAL CONSEQUENCES OF THIS COULD BE POLITICALLY AND PERSONALLY CRUSHING FOR
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BURNHAM, PARTICULARLY SINCE HIS HEALTH IS NOT GOOD AND HE NOW HAS A TENDENCY TOWARD DEPRESSION. HE IS, THEREFORE, VULNERABLE TO PRESSURES FROM ALMOST ANY QUARTER. THE SOVIETS APPEAR TO BE BIDDING THEIR TIME

WAITING FOR A CRUCIAL MOMENT TO PROPEL JAGAN INTO "POWER SHARING" IF NOT POWER ITSELF. FACED WITH LITTLE ALTERNATIVE, BURNHAM WOULD PROBABLY OPT TO SHARE POWER AND CHANGE GUYANA'S POLITICAL SYSTEM AS PART OF THE PRICE OF SURVIVAL.

12. ANOTHER ALTERNATIVE WOULD BE FOR BURNHAM TO MAKE THE NECESSARY CUTBACKS IN PROJECTS AND EMPLOYMENT AND THEN USE THE POLICE AND ARMY TO MAINTAIN ORDER AND REPRESS THE PPP AND OTHER OPPOSITION. THIS TOO WOULD PLACE HIM IN CONFLICT WITH US INTERESTS IN HUMAN RIGHTS AND DEMOCRACY.

13. IF BURNHAM WERE TO ABDICATE AND BE REPLACED BY ANOTHER PNC LEADER LITTLE WOULD BE SOLVED, EVEN IF THE TRANSITION WERE MADE WITHOUT INTRA-PARTY STRIFE, BECAUSE THE ECONOMIC SITUATION WOULD NOT HAVE CHANGED. A TAKEOVER BY JAGAN--EVEN WITH FULL BACKING BY THE SOVIETS AND CUBANS --WOULD UNDOUBTEDLY RESULT IN RACIAL VIOLENCE, AND WOULD USHER IN A SOVIET PUPPET GOVERNMENT.

14. THE POLITICAL SURVIVAL OF BURNHAM, WITH ALL HIS FAULTS, THROUGH THE PRESENT ECONOMIC CRISIS WOULD APPEAR TO BE THE BEST ALTERNATIVE FOR US INTERESTS. FROM THE EMBASSY'S PERSPECTIVE, IT WOULD APPEAR THAT THE PROVISION OF SOME ASSISTANCE THROUGH INTERNATIONAL FINANCIAL INSTITUTIONS AS PART OF AN OVERALL EFFORT IN THE CARIBBEAN WOULD BE MOST EFFECTIVE AND APPROPRIATE US RESPONSE. SUCH ASSISTANCE SHOULD NOT REMOVE ALL ECONOMIC PRESSURES FROM GUYANA. THE PRESENT CRISIS IS BRINGING A SENSE OF REALITY AND DISCIPLINE TO GUYANESE LEADERS THAT COULD NOT HAVE OTHERWISE BEEN POSSIBLE. IF GUYANA
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CAN SQUEAK THROUGH THE PRESENT CRISIS WITH ITS DEMOCRATIC INSTITUTIONS INTACT, IT WILL BE A MORE MATURE NATION THAN IT HAS BEEN.
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Message Attributes

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